[Rao Bahadur A. Rengaswamy Aiyar.]

arrangements have, however, been given effect to with effect from 1st April 1936. Accordingly, a credit of Bh. Rs. 16½ lakhs has been taken under receipts on the Cochin Harbour Scheme in the budget estimates for 1113. A sum of Bh. Rs. 6·84 lakhs due from the British Government representing the refund by them of the import duty on foreign tobacco which had been pooled during the years 1931-32 to 1934-35 for the purpose of the tripartite division under the agreement of 1925, has been refunded by the Government of India during the year. Two instalments amounting to Bh. Rs 1·47 lakhs due from Cochin towards the refund of their portion of the duty on tobacco have been taken credit for in the estimates of the next year.

Provision has been made under Advances in the estimates of next year for the contribution by this Government on account of the fourth stage works of the Cochin Harbour and for the purchase of a new Dredger.

STATE LIFE INSURANCE—PUBLIC BRANCH.

56. The State Life Insurance—Public Branch, introduced with effect from 1st Meenam 1109, with a view to afford facilities in the matter of insurance to the subjects of the State for making provision for themselves in their old age and also for their families, is working very successfully. 4,040 proposals for over Rs. 37½ lakhs were received during the short period of 3 years and 3 months and policies in respect of 2,810 proposals assuring over Rs. 25 lakhs have been issued. For 1113, the receipts are expected to be Rs. 1·30 lakhs and the expenditure Rs·20 of a lakh, the expense ratio being nearly 15 per cent. only.

STATE PROVIDENT FUND.

57. The State Provident Fund Scheme started in 1107 with a view to enable Government servants to make some provision for themselves in their old age, or for their families in case of their premature demise, has continued to work very satisfactorily during the year. The number of subscribers has risen to 9,639 during 1112 and the fund is expected to have a closing balance of Rs 7·26 lakhs at the end of 1112 and Rs. 9·76 lakhs at the end of 1113.

In view of the fact that the Government of India have reduced the rate of interest allowed on the Provident Fund Deposits in British India to 4 per cent. and that the rate of interest is only 3½ per cent. for our last loan, and 3 per cent. on Savings Bank Deposits, it is proposed to reduce the rate of interest on State Provident Fund from 5 per cent. to 4 per cent. after giving the usual notice of six months.

ASSETS AND LIABILITIES.

58. I furnish on pages 11 and 12 of the budget estimates the usual statement of assets and liabilities. The Government balance at the end of the next year is estimated to amount to Rs. 115·62 lakhs including the General Reserve Fund of Rs. 60·55 lakhs and the Sinking Fund Reserve of Rs. 14·75 lakhs. This includes, however, the sum of

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